

Resolution #19-0647
Resolution Book 1, Volume 1, Page 265

**RESOLUTION AUTHORIZING AN AGREEMENT WITH
WINSTON-SALEM STATE UNIVERSITY FOR THE LEASE OF SPACE
IN UNION STATION**

WHEREAS, at the Finance Committee's September 2019 meeting, City staff presented the framework for leasing approximately 8,000 square feet on the second level of Union Station to Winston-Salem State University (WSSU), more specifically the Winston-Salem State University Foundation; and

WHEREAS, WSSU would lease the space for the following activities: passport acceptance agency, print shop/limited postal service, one-stop operation for enrollment management, campus tours, and admissions; and

WHEREAS, the City and WSSU officials have discussed entering into an agreement to lease approximately 8,000 square feet on the second level for a term of thirty years at a base rental rate of \$10 per square foot, for an annual rent of \$80,000; and

WHEREAS, under University of North Carolina System regulations, WSSU can lease space for up to ten years with the approval of only the WSSU Board of Trustees as long as the annual lease amount does not exceed \$749,999. Leases exceeding ten years require the approval of the University of North Carolina System Board of Governors, State Property Office, and the Governor and Council of State; and

WHEREAS, while City and WSSU officials have discussed a long-term lease of thirty years, the proposal under consideration would provide for an initial lease term of ten years, which would enable WSSU to move forward with meeting their space needs; and

WHEREAS, in the fifth year of the initial lease, WSSU officials would seek approval from the University of North Carolina System Board of Governors, State Property Office, and the

Governor and Council of State to extend the lease an additional twenty years, for a total term of thirty years; and

WHEREAS, at the same time, City staff also would bring an action item to the Mayor and Council to approve an extension to the lease; and

WHEREAS, under the proposed lease, the City would pay for the upfit of WSSU's space for a not-to-exceed amount of \$300,000, using a portion of the remaining balance in the Union Station project budget.

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Council of the City of Winston-Salem, upon the recommendation of the Finance Committee, hereby authorize the lease of approximately 8,000 square feet of space on the second level of Union Station to Winston-Salem State University at a rental rate of \$10 per square foot, for an annual rent of \$80,000, under the provisions of and in accordance with N.C.G.S. 160A-274.

BE IT FURTHER RESOLVED that under the proposed lease, the City would pay for the upfit of WSSU's space for a not-to-exceed amount of \$300,000, using a portion of the remaining balance in the Union Station project budget.

BE IT FURTHER RESOLVED that the City Manager and City Secretary hereby are authorized to execute the agreement on behalf of the City, with the City Attorney's approval as to form and legality.